

purchase in 1981. The interest on both loans was about \$100,000 a year.

(Unable to pay back the loans, Von Crom said, he arranged to deed the condominium and its property to the corporation in 1981. During a foreclosure proceeding last year, Von Crom said, he learned that company president Sunlin "Sunny" Wong never completed the deed transfer and that Bishop, Baldwin was unable to sell the property.)

- Promissory notes totaling more than \$130,000, most of them apparently from Kim. (Hayes said these and the Von Crom loan may not be collectible.)

- Office furnishings worth \$2 million. (Hayes says \$150,000.)

- Bank accounts with \$280,000 on deposit. (Hayes confirms.)

- A \$500,000 interest in Motor Cars Hawaii. (Only \$241,000, says Hayes.)

- Some \$40,000 in sporting goods stores. (Hayes confirms.)

Rewald said his personal assets have a net value, "at best," of \$3 million, including a \$1.8 million equity in his home. He said he bought the home with money made from sales of his Wisconsin home (a \$23,000 profit) and his former Kumukahi Street home. Those transactions, he said, produced the \$50,000 down payment on his present home, plus the \$200,000 due and paid a year later.

He said Kim still owes Rewald's wife, Nancy, \$137,000 on a promissory note.

Rewald did not dispute the bankruptcy trustee's claim that his mortgage payments had been made with Bishop, Baldwin funds. But even if that were true, Rewald said, the total was no more than \$340,000, indicating that he had a right to 42 percent of the value of the equity in the home.

(Hayes has said the home is an asset of the company and the equity may be worth \$1 million.)

Rewald said there were other, less tangible, assets in the form of deals which he suggested were scotched because of bad publicity about his firm.

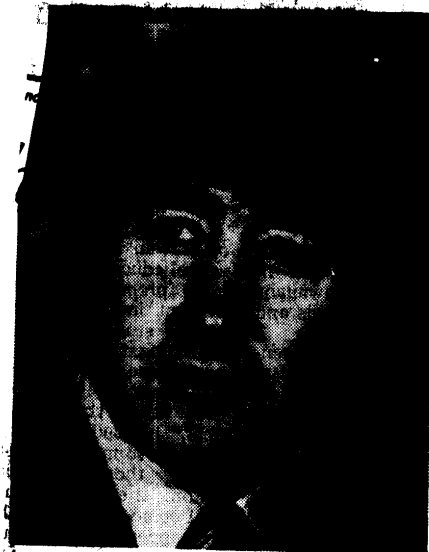
Rewald said he hoped that some day "Bishop, Baldwin (will be) in a position to assert a claim for damage against those responsible for the present chaos." The claims would include the value of work or projects halted when his firm shut down.

Rewald said, "On July 29, before I learned of the Barbara Tanabe television broadcast (raising questions about the firm), I had completed a deal with Cliff Melim of Northwestern Mutual Life Insurance Co. for a 10 percent interest in a \$29 million project involving Mokuleia Homesteads, a large residential project on Oahu."

Not so, Melim said Friday night. Melim said Rewald suggested he had the political clout to get the Mokuleia project through the government bureaucracy, and would do so for a 10 percent interest. "I said we'd think about it," Melim said, but it was a long way from an agreement.

The same day, Rewald said, he had received a report "from one of our consultants who had just returned from Spain to outline a project in which Bishop, Baldwin . . . would have had a \$22 million controlling interest in a residential development in Soto Grande, Spain."

Hayes said the company to his knowledge has no interest in any real estate developments in Hawaii, Spain or anywhere else.



Ronald Rewald

motion for summary judgment in the bankruptcy case.

Smith gave notice in the filing of his intent to rely on classified information in Rewald's case — a move that would lay the basis for seeking dismissal of charges against Rewald if the federal government refuses to release such documents. The federal government hasn't filed criminal charges against Rewald.

Smith said his client has been railroaded by the media and hamstrung by the courts.

"If it appears to the court from the evidence adduced thus far publicly that Mr. Rewald has run amok with investors' money, then it is equally true that the media has run amok with publicity in this case and thus far has swept the legal system along in the bargain," Smith said.

"Effectively, Mr. Rewald has been charged, tried and found guilty in the public press and has been deprived by the court system of any means of defending himself, all without a trial by jury, which is his constitutional right. In America, that is not supposed to happen."